Government of Saskatchewan

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Cattle Market Update

For the Week Ending January 30, 2015

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Jan. 30/2015	Average	$346.50	$331.30	$300.00	$266.25	$245.67	$228.83	$216.13
Jan. 30/2015	Range	327-359	312-350	286-314	257-280	236-255	222-238	211-222
week/week	Change	$9.17	$2.42	$0.37	-$5.25	-$4.83	-$5.50	-$2.20
Jan. 23/2015	Average	$337.33	$328.88	$299.63	$271.50	$250.50	$234.33	$218.33
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Jan. 30/2015	Average	$293.75	$294.75	$266.92	$244.90	$226.30	$213.83	
Jan. 30/2015	Range	285-314	286-307	255-283	237-257	218-235	211-217	
week/week	Change	-$7.58	$5.92	-$7.33	-$1.73	$0.80	$2.95	
Jan. 23/2015	Average	$301.33	$288.83	$274.25	$246.63	$225.50	$210.88	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

Canfax reported that a total of 15,373 head of cattle were sold in Saskatchewan this week, up from 14,067 head marketed the previous week. Saskatchewan feeder cattle prices over the week were mixed in the different weight categories.

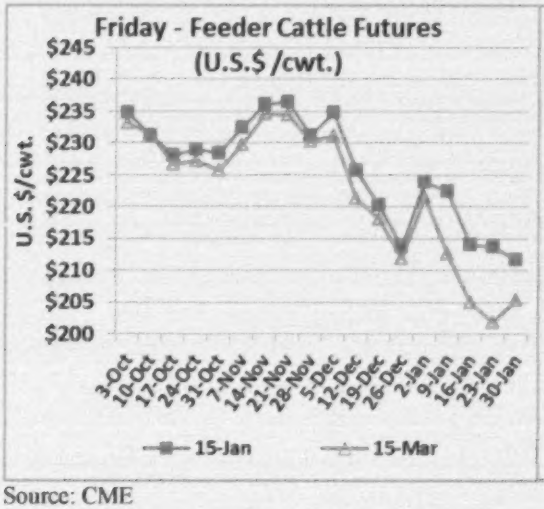
Saskatchewan feeder steer prices over the week were mixed with prices lower in heavier weight categories above 600 lb., and higher in weight categories below 600 lb. Prices ranged from $5.50 per cwt lower to $9.17 per cwt higher. Prices in the 800-900 lb. weight category had the greatest loss declining $5.50 per cwt, while the greatest increase came from the 300-400 lb. weight category which increased $9.17 per lb.

Feeder heifer prices were also mixed over the week. Feeder heifer prices ranged from $7.58 per cwt lower to $5.92 per cwt higher. The 300-400 lb. feeder heifer weight category had the largest loss declining $7.58 per cwt. The 400-500 lb. feeder heifer weight category had the biggest gain over the week increasing $5.92 per cwt.

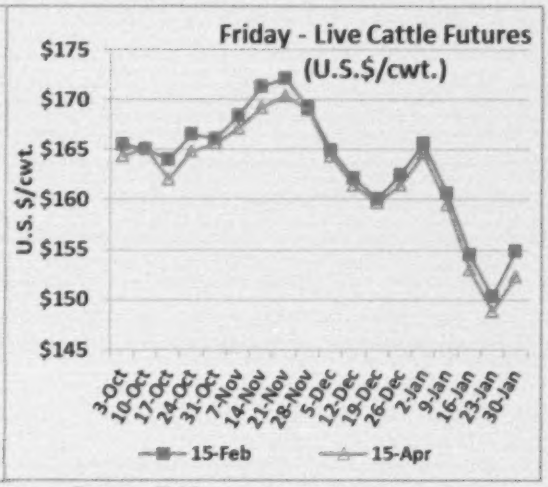
The Saskatchewan 750 lb. feeder steer basis compared to the January 29, 2015, U.S. feeder cattle index at US$211.69 per cwt was calculated at -$23.42 per cwt (US$211.69/0.7867 -$245.67), a slight basis widening from -$23.38 per cwt on January 22, 2015. The U.S. feeder cattle index has moved lower over the last few weeks after the early January highs.

The Canadian dollar continued lower over the week on expectations that a weaker Canadian economy could result in further Canadian interest rate cuts. The dollar declined 1.82 cents to close Friday at 78.67 cents, down from 80.49 cents the previous week. While the decline is negative for importing products it is positive for Canadian commodity exports such as cattle and hogs that are priced in the U.S. market in U.S. dollars.

Feeder cattle futures prices were mixed over the week with the January contract expiring lower while the March contract increased from the previous week. Daily price volatility was higher early in the week with the March contract having a price range of US$8.50 per cwt on Monday. The weekly high-to-low price range for the March contract was US$11.00 per cwt. The January contract declined $2.01 per cwt to expire at US$211.69 per cwt. The March contract increased US$3.375 per cwt over the week to settle Friday at US$205.20 per cwt.



Source: CME



Source: CME

Live cattle futures prices were mixed over the week but were mostly higher, increasing week-over-week. There was increased volatility for live futures prices early in the week with the February contract having a price range of US$4.875 per cwt on Monday and a weekly high-to-low price range of US$7.100 per cwt. The February contract increased US$4.500 per cwt over the week to settle Friday at US$154.850 per cwt, while the April 2015 contract increased US$3.475 per cwt to settle Friday at US$152.275 per cwt.

Iowa cash corn prices moved lower declining 15 cents per bushel over the week to end Friday at US$3.48 per bushel. Daily U.S. corn futures prices were also lower over the week to end the week lower, week-over-week. The March contract was down almost 17 cents to settle Friday at US$3.70 per bushel, while the May 2015 corn futures contract declined almost 17 cents to settle Friday at $3.78½ per bushel.

Fed and Non-fed Cattle

	January 30	January 23	Change over Week
Steers (Alberta)			
Live	185.06	n/a	n/a
Rail	309.75-310.50	n/a	n/a
Cows (Alberta)			
D1,2 Live	133.88	132.10	+1.78
D3 Live	119.00	118.63	+0.37
Rail	256-261	256-262	-1.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for live weight, non-fed cattle in Alberta were higher over the week with D1,2 slaughter cows increasing $1.78 per cwt to average $133.88 per cwt, while the price of D3 slaughter cows increased $0.37 per cwt to average $119.00 per cwt. The price of D1,2 slaughter cows had last established a new all-time high record price of $134.90 per cwt the week of January 16, 2015.

Cash fed cattle prices in Western Canada for Alberta fed steers were reported to average $185.06 per cwt for the week ending January 30, 2015. There were no reported prices the previous week due to low cash sales volumes. Fed cattle prices the previous week of January 16, 2015 had averaged $191.05 per cwt, a new all-time high record price.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$159.36 per cwt, down slightly from US$159.44 per cwt from the previous week, but up US$14.02 from US$145.34 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$251.99 per cwt, down US$2.69 per cwt from US$254.68 per cwt the previous week, but up US$20.89 per cwt from US$231.10 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending January 31 averaged US$246.69 per cwt, down US$10.16 per cwt from US$256.85 per cwt from the previous week, but up 6.3 per cent from US$231.98 per cwt the same week a year ago.

U.S. beef production for the week ending January 31, totaled 460.5 million lb., down 2.7 per cent from 473.4 million lb. the previous week, and down slightly from 461.2 million lb. the same week a year ago. Cattle slaughter numbers were 563,000 head, down 2.3 per cent from 576,000 head the previous week, and down 1.6 per cent from 572,000 head the same week a year ago.

USDA cattle inventory numbers were released on January 30, 2015. Total U.S. cattle and calves as of January 1, 2015 were 89.800 million head, up 1.4 per cent from 88.526 million head on January 1, 2014. Beef cows as of January 1, 2015 were reported at 29.693 million head, up 2.1 per cent from 29.085 million head from a year ago. Beef replacement heifers were estimated at 5.777 million head, up 4.1 per cent from 5.551 million head a year ago. Breeding numbers are indicating that expansion in the U.S. beef industry is underway. Weather conditions over the coming months (amount of drought) will determine the extent of expansion. Total cows and heifers that calved were estimated at 39.000 million, up 1.8 per cwt from 38.293 million as of

January 1, 2014. The 2014 calf crop was estimated at 33.900 million head, up 0.5 per cent from 33.730 million head in 2013.

Friday Price Information

Product		This Week (January 30)	Week of: (January 23)
Canadian Dollar (closing rate US$)		.7867	.8049
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		211.69	220.45
Seven-day Weighted Average FC Index Wt. (lb.)		753	752
Live Fed 5-area Steer Price (US$ per cwt)		159.36	159.44
Feed Grains			
Barley	Lethbridge ($/tonne)	199.00	202.00
	($ per bu.)	4.33	4.40
Corn	Iowa State Average (CDN$/tonne)*	174.15	177.54
	(US$ per bu.) (current Wed. price)	3.48	3.63
	Omaha, NE (CDN$/tonne)*	178.65	179.50
	(US$ per bu.)	3.57	3.67
Futures			
	March Corn (US$ per bu.)	3.70	3.86¾
	May Corn (US$ per bu.)	3.78½	3.95¼
	February Live Cattle (US$ per cwt)	154.850	150.350
	April Live Cattle (US$ per cwt)	152.275	148.800
	January Feeder Cattle (US$ per cwt)*expiry	211.690	213.700
	March Feeder Cattle (US$ per cwt)	205.200	201.825

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

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